
Closed to the Public

Public Utilities Commission of the State of California

Ratesetting Deliberative Meeting Agenda No. 42

Wednesday, January 21, 2004, 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

Geoffrey F. Brown

Susan P. Kennedy

Loretta M. Lynch

Carl W. Wood

This Ratesetting Deliberative Meeting will commence at the above date and time and may be continued from day to day up to the convening of the January 22, 2004, Business Meeting.

Website: <http://www.cpuc.ca.gov>

Ratesetting Deliberative Meetings

10:00 a.m.

Room 5305

505 Van Ness Avenue, San Francisco

For further information contact the Public Advisor
Phone: (415) 703-2074 E-mail: public.advisor@cpuc.ca.gov

AGENDA

(Item numbers correspond to the January 22, 2004 Business Meeting Agenda numbers.)

NOTE: Ex Parte Communications are prohibited on Agenda Items 2376, 2378, 3134, 3135, and 3136 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decisions is scheduled. (Rule 7(c)(4)).

2376 R01-09-001 - Order Instituting Rulemaking on the Commission's own motion to assess and revise the new regulatory framework for Pacific Bell (Pacific) and Verizon California Incorporated.

I01-09-002 – Related matters. This proposed decision addresses Phase 2A audit issues. The proposed decision finds that Pacific properly reported its pension and depreciation expenses during 1997 - 1999, but misreported its expenses during this period for PBOPs and income taxes. The proposed decision also finds that Pacific improperly withdrew funds from one of its PBOP trusts in 1999. These findings result in Pacific owing a refund to its ratepayers.

(Comr Kennedy - ALJ Kenney)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting Agenda 3123, Item 38 11/13/2003 (Staff);
Agenda 3125, Item 67 12/18/2003 (Staff);
Agenda 3126, Item 55 1/8/2004 (Kennedy)

2378 ALTERNATE ORDER TO ITEM NO. 2376

This proposed alternate decision of the assigned Commissioner finds that Pacific Bell properly reported its pension and depreciation expenses during 1997-1999. The alternate finds that Pacific Bell properly wrote off certain PBOP's regulatory assets as expenses in 1998 when the Commission eliminated a rate surcharge that supported this regulatory asset. On other issues, the alternate finds that Pacific misreported expenses during this period concerning PBOPs sub-accounts and concerning income taxes. The alternate decision also finds that Pacific improperly withdrew funds from one of its PBOP trusts in 1999. Compared to the Administrative Law Judge's proposed decision, the alternate decision finds a lower level of misreported costs and orders a smaller refund. The alternate orders a total of \$162 million in refunds to ratepayers, including interest through July 2003.

(Comr Kennedy)

Agenda 3123, Item 38a 11/13/2003 (Staff);
Agenda 3125, Item 67a 12/18/2003 (Staff);
Agenda 3126, Item 55a 1/8/2004 (Kennedy)

3134 R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.

This decision adopts a long-term regulatory framework under which California's three largest investor-owned utilities, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company, will plan for and procure the energy resources and demand-side investments necessary to ensure their customers receive reliable service at low and stable prices. (See D03-12-062 [Agenda ID#3005, 12/18/03] for issues decided related to 2004 plans)
(Comr Peevey – ALJ Walwyn)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting Agenda 3126, Item 53 1/8/2004 (Staff)

3135 ALTERNATE TO ITEM 3134

This decision addresses the same issues as the ALJ's proposed decision, but differs in its recommendations in at least the following major areas: resource adequacy, transmission resources, treatment of qualifying facilities, and development of procurement incentive mechanisms.
(Comr Peevey)
Agenda 3126, Item 53a 1/8/2004 (Staff)

3136 ALTERNATE TO ITEM 3134

This alternate decision addresses many of the same issues in the proposed decision, including resource adequacy, utility reserve margins, direct access reserve margins (including which entity will provide access reserves), affiliate issues, and data for utility forecasts for the long-term plans. It also includes a schedule for additional evidentiary record development of the above issues, as necessary.
(Comr Lynch)
Agenda 3126, Item 53b 1/8/2004 (Staff)

